P.T. INBISCO NIAGATAMA SEMESTA & 2 ORS.

v.

KHEE SAN FOOD INDUSTRY SDN. BHD.

HIGH COURT MALAYA, KUALA LUMPUR
TUAN RICHARD TALALLA J
[CIVIL SUIT NO. D2-22-1202-1990]
23 AUGUST 1995

INTELLECTUAL PROPERTY: *Passing-off - Whether plaintiff's product had gained a reputation in the market - Whether defendant's product likely to deceive or cause confusion and enable passing-off - Test to be applied - Likelihood of deception and confusion coming about - Damages.*

EVIDENCE: *Action for passing-off - Burden of proof - Defendant electing not to give evidence - Whether pleaded defence established.*

The 2nd plaintiff and the 1st plaintiff, both incorporated in Indonesia, are the manufacturer and exporter respectively of the Kopiko sweet enveloped in a wrapper, which was imported locally by the 3rd plaintiff. The plaintiffs had been importing and distributing Kopiko since February 1989 in Malaysia. The defendant incorporated in Malaysia, had been publicly selling a sweet in a wrapper called Victory Coffee "VC" from March 1990 till it was stopped on 30 August 1990 by a Court injunction. The plaintiff claimed that the defendant had been passing-off VC as and for Kopiko and that the VC get-up by reason of its similarity to the Kopiko get-up is calculated to deceive the purchasers of sweets into believing that VC is of the plaintiffs' manufacture, especially illiterates and children. The plaintiffs pleaded that they have promoted, advertised and sold Kopiko widely and in consequence a reputation in relation to Kopiko in the minds of the purchasing public has been created and goodwill accrued. The defendant pleaded that apart from the word Kopiko the rest of the special features and color pattern claimed by the plaintiffs is not unique but common to the trade or industry and to manufacturers of sweets, that buyers were not deceived into buying nor public confused into believing that the defendant's products were those of the plaintiffs and the get-up of the defendant's wrappers and product itself would never confuse the public or purchasers of VC and that no dishonest means were used by the defendant.

At the close of the plaintiffs' case, the defendant's Counsel made a submission of no case to answer and conceded that he could not adduce evidence for the defendant thereby.

The defendant admitted that upon a comparison of VC and Kopiko the two products were the same as to net weight, size and sealing, fins, jagged edges and red diagonal band as well as the colour combination of each get-up. There were several differences. The following issues arose:

(i) Whether Kopiko had gained a reputation in Malaysia when the defendant brought VC for sale;

(ii) Whether VC is likely to deceive of cause confusion so as to enable the defendant to pass-off VC as the plaintiffs' product;

(iii) The likelihood that such deception or confusion would come about; and

(iv) Damage suffered by the plaintiffs.

Held:

[1] On the overall evidence, Kopiko had gained a reputation as such in Malaysia when the defendant brought VC for sale, even though Kopiko had been on the Malaysian market for little over a year. Reputation was established by the trade name Kopiko and by the unique wrapper, aggressive advertising and competent distributorship. The public had come to recognise Kopiko by its entire packaging design and not merely the name Kopiko.

[2] The question of whether VC sweets is likely to deceive or cause confusion to enable a passing-off is a question of fact. The test is not whether if a person is looking at two products side by side there would be a possibility of confusion, the question is whether the person who sees one product in the absence of the other and in view only of his general recollection of what the nature of the other product was, would be liable to be deceived and to think that the product before him is the same as the other of which he has a general recollection. The Kopiko and VC wrappers were scrutinised and every point of similarity and dissimilarity was observed. Looking at the two wrappers, there can be no doubt that even a careless and ignorant person would be able to differentiate them but applying the general recollection test to the generally literate public who do their shopping in well appointed and lighted supermarkets and mini-markets, VC is in fact likely to deceive or cause confusion and so enable the defendant to pass-off VC as and for the plaintiffs' goods.

[3] There would be a category of customers who rely on design and colour for identification. The substantial similarity between the plaintiffs' get-up and that of the defendant gives rise to a *prima facie* inference of copying by the defendant, placing the burden on the defendant to rebut the same. The design and colour of the VC wrapper caused it to be easily mistaken for the Kopiko product. The defendant deliberately copied the plaintiffs' Kopiko wrapper and its get-up. There were too many common features for it to have occurred coincidentally on a balance of probabilities.

[4] The plaintiffs proved by documentary evidence that the sales of Kopiko dropped when VC came into the market. Reduction of sales in the wake of VC's introduction was more than mere coincidence. On a balance of probabilities, the reduced sales of Kopiko was directly attributed to the introduction of VC on the market and accordingly the plaintiffs have suffered damage. The defendant has failed to establish its pleaded defence.

[Plaintiffs' claim allowed].

Cases referred to:
Laurie v. Raglan [1945] 1 KB 152 CA ***(refd)***
Simirah v. Chua Hock Lee [1963] MLJ 239 ***(refd)***
Star Industrial Co. Ltd. v. Yap Kwee Kor [1976] FSR 256 ***(foll)***
Reckitt & Colman Properties Ltd. v. Borden Inc. [1990] 1 WLR 491 ***(refd)***
White Hudsons Co. v. Asian Organisation Ltd. [1965] MLJ 186 ***(refd)***
Clairol Incorporated v. Too Wit Company [1980] 2 MLJ 112 ***(foll)***
Tong Guan Food Products Pte. Ltd. v. Hoe Huat Hing Foodstuff Pte. Ltd. [1991] 2 MLJ 361 ***(refd)***
M.I & M. Corporation & Anor. v. A. Mohamed Ibrahim [1964] 30 MLJ 392 ***(foll)***
Seixo v. Provezenda [1865] 1 Ch. D 192 ***(refd)***
Rysta Ltd's Application [1943] 60 RPC 87 ***(refd)***
Sandow Ltd.'s Application [1914] 31 RPC 196 ***(refd)***
Re Auvi Trademark [1992] 1 SLR 639 ***(refd)***
King Features Syndicate Inc. v. O & M Kheeman Ltd. [1941] AC 417 ***(refd)***

LB (Plastics) Ltd. v. Swish Products Ltd. [1979] FSR 145 ***(refd)***
University of London Press Ltd. v. University Tutorial Press Ltd. [1916] 2 Ch. 601 ***(refd)***
Wright Layman & Umney Ld. v. Wright [1949] 66 RPC ***(refd)***
Claudius Ash & Sons Ltd. v. Invicta Manufacturing Ltd. [1912] 29 RPC 465 ***(refd)***

Other source referred to:
Kerly on Trade Marks.

For the plaintiffs - Joginder Singh (D.R. John with him); M/s. Atma Singh Veriah & Co.
For the defendant - Royan, Porres P (Tan Jin Chor with him); M/s. Tan Jin Chor & Co.

JUDGMENT

Richard Talalla J:

The plaintiffs whom I shall hereafter refer to as Inbisco, Mayora and Inbisco Malaysia respectively are companies, the former two incorporated in Indonesia and the last in Malaysia and form the Inbisco Group of companies (the Group) which manufactures and sells confectionery and in particular an oblonged shaped sweet (the Kopiko sweet) envisaged in a wrapper (the Kopiko wrapper) collectively called and which I shall hereafter refer to as Kopiko. Within the Group, Mayora is the manufacturer of Kopiko. Inbisco is its exporter and Inbisco Malaysia is its local importer. All this is admitted by the defendant.

Kopiko resembles a miniature rectangular encased pillow, having a net weight of 4 grams and is sized 33 mm by 55mm. The Kopiko wrapper which is made of plastic and foil is wrapped lengthwise round the Kopiko sweet and heat sealed again lengthwise along the centre of the rear surface and close to the sweet leaving the wrapper to run in a flat sealed state for some ten mm, along the said surface producing the effect of a fin. The wrapper is likewise sealed along the two shorter sides of the sweet leaving the wrapper to run in a similar state for some six to seven mm, there to be cut in a jagged manner giving the effect of a sealed fringe breadthwise on both sides. On the outside the wrapper is black coffee coloured and the word 'Kopiko' is imprinted in white letters upon a red band which runs diagonally across the pack. At the left hand corner of the Kopiko wrapper are the words 'Coffee-Candy' in gold lettering. There is a picture of a rectangular sweet below the word 'Kopiko' and a circular seal in gold and brown with the words "A Rich Tasting Aromatic Coffee Candy made of Choice Coffee Beans" along side of it. None of this is disputed by the defendant.

The defendant admittedly is a private limited company having its registered office in Kuala Lumpur and carrying on business as manufacturer of sweets. The defendant also admits that it has been publicly selling a sweet (the VC sweet) in a wrapper (the VC wrapper) collectively called Victory Coffee (VC) from March 1990 till it was stopped on 30 August 1990 when an injunction of this Court was served on the defendant. The defendant further admits that upon a comparison of VC and Kopiko the two products are the same as to net weight, size, sealing, fins consequent upon sealing the same, jagged edges and red diagonal band and that the colour combination of each get-up is almost the same.

I find myself upon the evidence and upon a comparison of Kopiko, and VC, the following differences. Kopiko has a picture of a candy. VC has not. Kopiko has a seal with words along the circumference which reads "A rich tasting aromatic candy made from coffee beans." VC has not. Kopiko was inscribed "gula-gula kopi". VC is described as gula-gula Victory". VC has a tartan background and words "A Rich Taste of Scotch Candy." Kopiko has neither. The ingredients list on the reverse side of each pack is different as are the names of the respective manufacturers. The breadth of the VC wrapper is wider than the Kopiko wrapper.

The red diagonal band is a shade different between the two wrappers. There is a gold coloured border running on both sides of the red band on the VC wrapper which is absent on the Kopiko wrapper. The word Kopiko appears on the red band of the Kopiko wrapper and the word Coffee appears on the red band of the VC wrapper. Jagged edges on the Kopiko wrapper are marginally longer than on the VC wrapper. Jagged edges on the Kopiko wrapper are entirely of the background black coffee colour whereas the VC wrapper has about one millimeter of the tartan pattern on one side which is absent on the Kopiko wrapper. There are other differences between the two but they are so minor as not to merit mention and indeed neither party made reference to them.

The plaintiffs pleaded that Inbisco Malaysia had since 1989 been importing and distributing Kopiko in Malaysia and this the defendant has admitted. The plaintiffs also pleaded that they have promoted, advertised, and sold Kopiko widely and in consequence a reputation in relation to Kopiko in the mind of the purchasing public has been created by the plaintiffs and goodwill accrued, but this the defendant does not admit.

The defendant in the course of the trial admitted that Kopiko sweets were at all material times manufactured by Mayora in Indonesia and imported by Inbisco Malaysia into Malaysia, that it was then distributed by Boustead Trading (1985) Sdn. Bhd. (Boustead) to wholesalers and retailers and that it reached the public through Boustead. At the same time the defendant admitted that the plaintiffs started distributing Kopiko in Malaysia in February 1989. Boustead began distributing to retailers and wholesalers from March 1989, and that the plaintiffs began supplying jars of 200 sweets from April 1990 to Boustead who began distributing them to retailers and wholesalers from May 1990.

The plaintiffs went on to plead that the defendant has been passing off VC as and for Kopiko and that the VC get-up by reason of its similarity to the Kopiko get-up is calculated to deceive purchasers of sweets into believing that VC is of the plaintiffs' manufacture and that the defendant's conduct is aimed at the illiterate and children especially as both Kopiko and VC are sold in loose form. This the defendant denies.

By way of further defence the defendant pleaded that apart from the word 'Kopiko' the rest of the special features and colour pattern claimed by the plaintiffs is not unique but common to the trade or industry and to manufacturers of sweets, that at no time were buyers deceived into buying or that the public was confused into believing that the defendant's products were those of the plaintiffs, that the get-up of the defendant's wrappers and in particular the product itself would never confuse the public or anyone who purchased the defendant's 'Coffee' candy, that the defendant was carrying on legitimate business in the sale of their produce in the 'Coffee' get-up wrappers and that there were no dishonest means used by the defendant to steal the business of the plaintiffs as the produce of the defendant was different from that of the plaintiffs. The defendant went on to plead that with effect from 30 August 1990 when the order of Court dated 22 August 1990 was served on the defendant, the defendant has stopped marketing the defendant's produce in the get-up complained of by the plaintiffs.

Apart from the admissions abovestated the defendant required the plaintiffs to prove their case.

In seeking to establish their claim of passing off against the defendant the plaintiffs called a number of witnesses most of whom after testifying in chief were thoroughly cross-examined. At the close of the case for the plaintiffs, Counsel for the defendant submitted that the

plaintiffs had not made out their case against the defendant adding that he elected not to adduce any evidence should his submission not be accepted by the Court and saying that he did not have a choice by which he meant as he stressed later, not that he had no choice in so submitting but rather in the adducing of evidence in the event of his submission being rejected. With that proposition I agreed saying that it was the principle in *Laurie v. Raglan* [1945] 1 KB 152 CA and that there was a decision by Thomson C.J., as he then was, on it. See now *Simirah v. Chua Hock Lee* [1963] MLJ 239. Counsel having so elected, the requirement on my part to put him to his election upon the submission as advised by the Chief Justice in the last case stated was preempted. Counsel for both parties then made their respective submissions.

As I understand it, the law of passing off is based on the principle that no person is entitled to steal another's trade. More particularly as Lord Diplock put it in the Privy Council in *Star Industrial Co. Ltd. v. Yap Kwee Kor* [1976] FSR 256 at p. 269:

> A passing off action is a remedy for the invasion of a right of property not in the mark, name or get-up improperly used, but in the business or goodwill likely to be injured by misrepresentation made by passing off one person's goods as the goods of another. Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached.

In *Reckitt & Colman Properties Ltd. v. Borden Inc*. [1990] 1 WLR 491 at p. 499 Lord Oliver said:

> The law of passing off can be summarised in one short general proposition - no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying "get-up" (whether it consists simply of a brand name or a trade description, or the individual features of labeling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness, of the identity of the proprietor of the brand name. Thirdly, he must demonstrate that he suffers or, in a *quia timet* action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.

Inbisco's export manager came across from Indonesia and testified. He said the Group started manufacturing confectionery in 1948, that he was on the committee of Mayora which decided on the name of Kopiko which he said was a derivation from and an abbreviation of the words kopi and that in June 1989 it was registered in Indonesia as a trade name. He testified that the Kopiko wrapper was created as a result of the intention of Mayora to have a very distinct design that stands out in comparison with other products through careful choice of colour, type phase, size of lettering and package size, that it was part of Mayora's committee on new product development and that the wrapper was part of the development. He said that

Kopiko began to be sold in Indonesia in 1988 where it was well known having been advertised widely and that it was sold in some 47 countries. As to its reputation in Malaysia, he testified that Kopiko has been sold since February 1989 in Malaysia, through Boustead under a Distribution Agreement which was for 3 years. He confirmed a bill of lading dated 12 August 1989 evidencing the first shipment of Kopiko to Boustead. This witness was thoroughly cross-examined but came through impressively unshaken. He testified to a quantity of Kopiko being exported by him to Boustead and this was corroborated by a sales executive of Boustead who testified to receiving and distributing them to Boustead's branches throughout the country for redistribution to retail outlets. Then there was a retailer from Johor Bahru who testified to selling Kopiko and VC sweets loose, one or more at a time, in March 1990. The technical manager of Inbisco and Mayora took photographs at retail outlets in Kuala Lumpur and Petaling Jaya evidencing sale of Kopiko in jars at those outlets. Inbisco Malaysia's general manager testified similarly to the import of Kopiko from Inbisco by Boustead commencing in February 1989 and to an aggressive advertising campaign in Malaysia which included a special offer on launching Kopiko, promotions in supermarkets and other outlets, selling at reduced prices and in fact giving it away free of charge. He testified to Kopiko being sold in bags and individually in loose form and to Kopiko being sold in jars in March 1990.

There was documentary evidence in the form of a bill of lading, invoices and delivery orders of a vast quantity of Kopiko having been ordered from Inbisco by Boustead and distributed to retail outlets. The general manager of Inbisco Malaysia testified to a vast turnover of Kopiko, in Malaysia. He produced Inbisco, Malaysia's accounts duly audited by a firm of international auditors which the defence admitted. None of the foregoing evidence was seriously disputed by the defence. Instead, the argument was that there was no evidence that Kopiko, was known to the public by any distinguishing feature of the Kopiko wrapper, for example brown wrapper sweets or red band sweets as in *White Hudsons Co. v. Asian Organisation Ltd.* [1965] MLJ 186 where the plaintiff's sweet was known to non-English speaking customers as "red paper cough sweets" and in *Clairol Incorporated v. Too Wit Company* [1980] 2 MLJ 112 where the catchword was the trade name "Clairol". The defendant went on to assert that here the trade name was Kopiko and there was evidence that the plaintiffs had sought its registration as a trade mark, but not its get-up and there was also evidence of a witness asking for Kopiko by its name when intending to buy that sweet. As has been said repeatedly, a *fortiori* in respect of a passing off action, every case has to be decided on its own facts and circumstances. On the overall evidence I had no difficulty finding that Kopiko had gained a reputation as such in Malaysia when the defendant brought VC for sale to the public in March 1990. In so finding I was aware that Kopiko till that point of time had been on the Malaysian market for little over a year. To my mind reputation was established by reason of the trade name Kopiko and the Kopiko wrapper being unique, aggressive advertising and competent distributorship and I found as the general manager of Inbisco Malaysia believed that the public had come to recognise Kopiko by its entire packaging design and not merely the name Kopiko. By way of illustration I believe that if the name Kopiko were removed from the Kopiko wrapper and substituted by another name, say Victory Coffee, and a sweet, be it the Kopiko sweet or the VC sweet, and sold in that substituted Kopiko wrapper, the purchasing public having knowledge of Kopiko will believe that the sweet in the substituted wrapper to be from the same source as the Kopiko source.

As to deception, a friend of the general manager of Inbisco, Malaysia testified to his accompanying the latter one evening at about 9.00 pm to a sundry shop where the manager took a handful of sweets from a container, and showed them to the witness asking whether

he could tell any differences, that he examined the sweets and initially could not tell the difference but in close scrutiny he noticed they were not all Kopiko which he was not aware of prior to that. In cross-examination Counsel put to him that the fact that they were different sweets was apparent from the beginning but he answered not from the beginning but only upon closer examination. Another witness as to deception spoke to tasting Kopiko and then buying the other which he found to be sweeter which led him to think that the manufacturer of Kopiko had come up with a new variant. This witness was the manager's brother's friend. He was severely cross-examined and in the end it was put to him that the story he had told the Court was a pack of lies to which he said he was telling the truth. It was put to him that he would have no difficulty in telling the difference between Kopiko and VC to which he replied that even then he could make a mistake and believe them to be the same. Counsel for the defendant attacked these two witnesses as being partisan. On the other hand Counsel for the plaintiff complained about the difficulty in getting independent persons to come to Court to testify to deception or otherwise. They would only be so invited if what they have to say is favourable to the invitor and they would only accept the invitation if they are suitably rewarded and that will expose them to the accusation of being partisan or as Thomson CJ as he then was, said in the *MI & M* case which I shall be referring to in detail shortly, compurgators. It is with this in view that I asked whether I was limited, indeed bound, by the evidence only in deciding the matter or whether I was at liberty to rely on my own observation of each respective get-up relative to impact on the mind of the purchasing public. The response of Counsel for the defendant was that I was entitled to see for myself what the features on the respective wrappers were but in deciding what the impact of the features was on the public I had to be guided by the evidence, otherwise I would be deciding the impact of the wrappers on me and not the impact of the wrappers on the public. In this regard I respectfully adopt the dictum of Yong Pung How CJ in *Tong Guan Food Products Pte. Ltd. v. Hoe Huat Hing Foodstuff Pte. Ltd.* [1991] 2 MLJ 361 where at page 366 the learned Chief Justice said whether or not there is misrepresentation is always a question of fact to be determined by the Court in the light of evidence of surrounding circumstances, that the impression is entirely a matter for the judgment of the Court and not that of the witness and that all that can be done is to ascertain in every case as it occurs whether there is such a resemblance as to deceive a purchaser using ordinary caution.

In *M. I. & M. Corporation & Anor. v. A. Mohamed Ibrahim* [1964] 30 MLJ at p. 392, the original plaintiff commenced proceedings against the defendants claiming that they had infringed his registered trade mark and had passed off their goods as his. The goods were cooking oil and the registered trade mark was that of a hibiscus flower with red petals and green leaves. The label used by the defendants for their goods was that of a sun flower with green leaves on a yellow background. The plaintiff died before the trial of the action. The learned trial Judge gave judgment [1963] MLJ 232 against the defendants, who appealed claiming that the learned trial Judge was wrong in law in holding on the facts that the device as used by the appellants was likely to deceive or cause confusion or enable the appellants to pass off goods as and for the goods of the respondent. Thomson CJ said that the question of whether a device used as a trade mark so nearly resembles another as to be likely to deceive or cause confusion was a question of fact and he made reference to *Rysta Ltd's Application* [1943] 60 RPC 87 at p.105. The Chief Justice then quoted Lord Cranworth in *Seixo v. Provezenda* [1865] 1 Ch. D. 192 as follows:

> What degree of resemblance, is necessary ... is from the nature of things incapable of definition *a priori*.

He went on to state that numerous principles had been enunciated as to the way in which the question of fact should be approached, many of which had been cited in argument, but to embark on any lengthy discussion of those would only be to repeat in possibly less felicitous language much of the learning that was to be found in *Kerly on Trade Marks.*

The learned Chief Justice went on to say that the crucial evidence was that of the labels themselves but that he was not saying that the other evidence was to be disregarded. That evidence, by itself, probably did not go further (it certainly went as far) than making out that the defendants intended to produce a label, the appearance of which would be close to that of the plaintiff without being so close to it as to expose them to an action like the one then present. He said that the defendants knew what the plaintiff's label looked like and they altered the colours of their mark to the same colours and the same arrangement of the colours as that used by the plaintiff, though on the colours commonly used by jobbing printers over a hundred different arrangements of colours would have been available to them. On all that, the learned Chief Justice said, there was little if any room for doubt as to what the defendants' intentions were but that however was not enough. The Chief Justice said that it did not go beyond the permissible limits of commercial chicanery. The real question, however, was whether the defendants went too far and that was to be decided principally on the appearance of the labels themselves and the ways in which the two flowers appeared on them. He said that the learned Judges of appeal themselves had seen the two labels on the various sizes of tins to which they were affixed and had every point of similarity and dissimilarity pointed out by Counsel. He went on to say that looking at them side by side they were clearly different and looking at them side by side nobody could possibly mistake the one for the other. The two flowers differed in many details and though their position on the labels was the same, the surrounding wording differed. The Chief Justice said that even the most careless and ignorant person seeing them side by side on a shelf in a well-lighted grocer's shop could see that they were different. That, however, said the Chief Justice, was not the test to be applied in a case of that sort, for if it were, it would render nugatory, the protection which the law gave to trade and trade marks. For himself, he adopted the test applied by Sargant J in the case of *Sandow Ltd's Application* [1914] 31 RPC 196 at p. 205 which was a registration case. There Sargant J said:

> The question is not whether if a person is looking at two Trade Marks side by side there would be a possibility of confusion; the question is whether the person who sees the proposed Trade Mark in the absence of the other Trade Mark, and in view only of his general recollection of what the nature of the other Trade Mark was, would be liable to be deceived and to think that the Trade Mark before him is the same as the other, of which he has a general recollection.

Thomson CJ said that the general recollection test was to be applied having regard to the sort of people who would buy the goods in question and the circumstances in which they buy, that in that case the test had to be applied in relation to people who were generally illiterate who did their shopping in small dark grocer's shop where large quantities of goods were crowded in a disorderly manner into a very small space and that it was to be remembered, too, that a flower of some sort is a common trade mark in connection with that particular commodity and that in his view the general recollection from the part of the plaintiff's mark which would affect the minds of such customers in such circumstance would not be a flower (which they would take for granted) or of any particular sort of flower but of the colouring of the flower and its arrangement on the label. Thomson CJ was thus compelled to the conclusion that the flower device as used by the appellants was in fact likely to deceive or cause confusion and so enable the appellants to pass off their goods as and for the goods of the respondents. Accordingly the appeal was dismissed.

I am of course bound by the decision of Thomson CJ referred to above. As the appellate Judges did scrutinise the two labels there, so did I compare here the Kopiko and VC wrappers and observe every point of similarity and dissimilarity, with the two wrappers close at hand side by side and as in the *MI & M* case, so here looking at the two wrappers there can be no doubt that even a careless and ignorant person would be able to differentiate them. However, the standard of living in this country has improved since the time of the MI & M episode and the test to be applied here is, as to fact, not relative to people who are generally illiterate but to a generally literate public who do their shopping not in small dark grocers' shops where large quantities of goods are crowded in a disorderly manner into a very small space but rather in well appointed and lighted supermarkets and mini markets where goods are placed and spaced in a well ordered manner with each item labelled as to price as required by law, although in the kampungs and outlying districts admittedly there is still the warung and coffee shop like those of old. Yet even these are now well lit and better appointed overall. My view, however, is despite these improved conditions at outlets selling sweets, VC is in fact, to use the words of Thomson CJ in the context of this case, likely to deceive or cause confusion and so enable the defendant to pass off VC as and for the goods of the plaintiffs.

How then is it likely that such deception and confusion would come about? As I see it, deducing from what the witnesses testified to and upon my own observation of the two products, the average consumer constituting a cross section of the community will buy sweets in packets off the shelf or loose from jars or other suitable containers. The brand conscious consumer desirous of buying a packet of Kopiko may well be able to differentiate between Kopiko and VC; not necessarily so when wanting to buy Kopiko loose. Buying 2 Kopiko for 10 sen is no big deal and calls for no great mental concentration, attention or recollection and it is in an instance such as this, I believe that all that will catch the customer's eye will be a black coffee coloured wrapper and the red diagonal band with the white lettering on it. There will be, in my view, a category of consumers who, though observing the difference between VC and Kopiko, would believe them to be the same product but described in different languages, one in English, Victory Coffee and the other in Bahasa Malaysia, Kopiko, kopi of course being the Malay word for coffee. Another category would comprise the customer who observing the difference would believe VC to be the sister sweet of Kopiko produced by the same manufacturer. Of course no one would be so naive as to compartmentalise consumers exclusively in one or another category. Thus, there may well be a host of consumers about buying a few sweets to the extent that they will be looking for a label like a needle in haystack; a glance at colour and design being sufficient. Then there are the dim eyed such as the old and infirm and the dim witted both of whom could be preyed on, confused and deceived. There are still many in the community who are not literate in the Roman alphabet, the old and the middle aged who either did not go to school at all or if they did, went to a vernacular school. These persons would rely on design and colour for identification. Children too could be victims of confusion and deception. Some of them are as sharp as a tack but there would be others of them who would be distracted by other things and simply identify sweets which they want to buy by visual effect other than the name.

The substantial similarity between the plaintiffs' get-up and that of the defendant gives rise to a *prima facie* inference of copying by the defendant placing in consequence the burden on the defendant to rebut the same. That is what was said by Chao Hick Tin J in a copyright case, *Re Auvi Trademark* [1992] 1 SLR 639 at p. 648 where *King Features Syndicate Inc. v. 0 & M Kheeman Ltd.* [1941] AC 417 and *LB (Plastics) Ltd. v. Swish Products Ltd.* [1979]

FSR 145 were followed. The fact that this is a passing off action makes no difference. The proposition applies regardless. The defendant offered nothing by way of rebuttal.

Well might it be asked why of all the colours of the rainbow replete with varying shades of those colours, dark and light, the defendant chose a colour combination for its wrapper so similar to that of the Kopiko wrapper and arranged those colours so like the arrangement on the Kopiko wrapper.

Why might it be asked did the defendant of an effectively limitless choice of designs choose a design so closely resembling the design on the Kopiko wrapper. Especially as to the most prominent features namely a red diagonal band against a black coffee background with white lettering superimposed on the band. V.C. was to all intents and purposes a copy of Kopiko. They were both descriptive of a coffee sweet or coffee flavoured sweet and in my view could easily be mistaken for the same product, Kopiko being the Bahasa Malaysia trade description and Victory Coffee being the English description of the same product, or products produced by the same manufacturer.

The plaintiff was relying on what was said in *University of London Press Ltd. v. University Tutorial Press Ltd.* [1916] 2 Ch. 601, 610, that what is worth copying is *prima facie* worth protecting, adding verbatim the quotation of Greene M.R. in *Wright Layman & Umney Ld v. Wright* [1949] 66 RPC 149, 152, that honest men do not attempt to sail near the wind. Upon a consideration of the evidence as a whole I formed the view that the defendant deliberately copied the plaintiffs' Kopiko wrapper and its get-up. There were too many common features for it to have occurred coincidentally. Certainly that could not have been so on a balance of probabilities.

The defendant relied heavily on the case of *Tong Guan Food Products Pte. Ltd. v. Hoe Huat Hing Foodstuff Pte. Ltd.* abovestated. I should say at once and I shall use with respect the words of Lord Oliver at page 498 of *Reckitt's* case that this is not a branch of the law in which reference to other cases is of any real assistance except analogically. A perusal of the judgment in *Tong Guan's* case to ascertain in what way if any it is analogous to this case indicates by reference to the facts set out at page 362 that the defendant in its copying process had crept into identity with the plaintiffs' get-up by changing colour from pale blue to copying process had crept into identity with the dark blue and design from wave to arc. Yet there was no indication that the Court was asked to consider or did consider the propositions, above set out, that what is worth copying is *prima facie* worth protecting and honest men do not attempt to sail close to the wind or the principle that no man is entitled to steal another's trade by deceit (*Reckitt's* case page 509) or a question whether an ordinary purchaser using ordinary caution would by reason of the similarity in get-up not consider the two products as coming from the same source. In that case there was no evidence of the contents of the television and cinema advertisements whereas here a video clip of the plaintiffs' television advertisement during prime viewing time, namely, televising of the Badminton games for the Thomas Cup, was displayed in Court and I was able to observe the same and as a result found prominent display of both the name Kopiko and the get-up of the Kopiko wrapper. In *Tong Guan*'s case the Court found as to the requirement of suffered damage that in fact at the material time the plaintiff made a profit whereas here, damage was proved and I would say the fact of damage contributed to evidence establishing the reputation of Kopiko and the Kopiko wrapper in the market. In the *Malaysia Dairy Industries* case (referred to in *Tong Guan's case*) relating to a drink called Vitagen the learned Judge found that the plaintiffs had failed to establish that the shape of the Vitagen bottle had become, by use in Singapore, distinctive of the plaintiffs' drink in respect of which they claimed a

substantial trade since 1977. It would appear that relying on this case but at the same time recognising that whether or not reputation has been acquired depends very much on the facts of each particular case, the Court in *Tong Guan's* case went on to say that cashew nuts or spicy almonds per se are not goods which are unique to the appellant, that what the appellant has to show was that the packaging was well known in connection with the appellant's business, that there was nothing about the shape or the material used in the packaging by the appellant that set those two products apart from the market and that there was also nothing distinctive about the use of pictographs of the nuts contained within. The similarity however, was not in shape, size or material, it would appear, but in colour and design but that the Court did not appear to comment on. In the end I thought it safer to keep to the facts and circumstances of this case.

Again in the *Boh Plantations* case at page 220 Gill CJ following Earl Loreburn LC in *Claudius Ash & Sons Ltd. v. Invicta Manufacturing Ltd.* [1912] 29 RPC 465, 475 said that once you establish the intent to deceive, it is only a short step to proving that the intent has been successful, but still it is a step even though it be a short step.

As to damage suffered by the plaintiffs at the hands of the defendant, the profits enjoyed by Inbisco Malaysia were well established in the documentary evidence above referred to in relation to reputation. For ease of reference, the plaintiffs were invited to produce a graph based on such documentary evidence. This was done. The graph highlighted the documentary evidence and showed a massive drop in sales of Kopiko when VC came on the market. To this the defendant could but answer that except for the plaintiffs' assumptions that the reduction in sales was due to the introduction of the VC, there was no market or survey evidence that the reduction was directly attributable to consumers being confused by the VC wrapper. I was then reminded that the export manager had testified that he could not speak for public preference and that one of the witnesses for the plaintiffs had said that Kopiko was bitter whereas VC was not and a question was raised as to whether this could be a reason for VC being more saleable than Kopiko. If I was required to answer that question my response would have been the same as the last mentioned testimony of the export manager. In fact, the last said witness testified initially in chief and somewhat glowingly to Kopiko having a bitter, thick, creamy, coffee taste. In any event the question was a *non sequitur*. It was not the taste preference of the purchasing public that was in issue but the alleged deceptive means the defendant is said to have adopted in passing VC off as Kopiko or as of the same manufacturing source as that of Kopiko. To my mind, reduction in the wake of introduction was more than mere coincidence. I found on the balance of probability that the reduced sales of Kopiko were directly attributed to the introduction of VC on the market and accordingly the plaintiffs have suffered damage.

Upon a consideration of the evidence as a whole and relying on my own observations, I find that the plaintiffs who jointly and severally have sufficient commercial interest to bring this action, have proved their claim of passing off against the defendant. Likewise and upon due consideration of the defendant's pleading, I find that the defendant having been unsuccessful in challenging any of the plaintiffs' witnesses and chosen a course which precluded the defendant from leading evidence on its behalf, and generally, has failed to establish its pleaded defence.

As I see it in the light of current affairs in this country where the imbalance of international commerce is sought to be corrected and its barriers dismantled and by way of example foreign

merchants are invited to trade here and our citizens encouraged to invest abroad, the Court should be and be seen to be eminently just in its application of the commercial law, in this case the law of passing off, and ensure that such merchants, as the plaintiffs in this case, making and selling their ware here are not the victims of local predators as much as local traders are not preyed on by foreign charlatans. Hopefully, Judges in other countries, if they are not doing so already, may reciprocate and afford to our people who seek redress from them, like standards in the dispensation of justice.

Accordingly there will be judgment for the plaintiffs against the defendant.